

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 2, 2018/2019

### BAC2654 – PUBLIC SECTOR ACCOUNTING

( All sections / Groups )

13 MARCH 2019  
9.00 a.m. – 12.00 p.m.  
( 3 Hours )

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#### INSTRUCTIONS TO STUDENTS

- (a) This question paper consists of 2 pages with 4 Questions only.
- (b) Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
- (c) Write your answers in the Answer Booklet provided.

**QUESTION 1**

- a) Explain public enterprise under Federal Government of Malaysia.  
(5 marks)
- b) Determine the requirement for "Payments of Moneys" and "Estimates" as per stated under Financial Procedure Act 1957.  
(5 marks)
- c) The Accountant General of Malaysia, Datuk Saat Esa, has confirmed that the Consolidated Revenue Account only had RM450 million left as at April 30 this year. Saat also affirmed that this is the only account which the federal government can use to finance its operating expenses. (The Edge Market. September 25, 2018).  
Discuss the relevant article from the Federal Constitution on process of withdrawals from consolidated fund.  
(10 marks)
- d) In 2017, Federal Government provides grants and transfer to State Governments amounting to RM8.1 billion or 71.8% which are provided under Federal constitution. Explain any **TWO (2)** statutory grants given by the Federal Government to State Government.  
(5 marks)

(Total 25 marks)

**QUESTION 2**

High quality financial information in the public sector enables an accurate and complete assessment of the impact of policy decisions, supports external reporting by governments to citizens, taxpayers and investors, and aids internal decisions on resource allocation (planning and budgeting), monitoring, and accountability.

- a) Explain any **FOUR (4)** objectives of financial reporting in public sector.  
(8 marks)
- b) A marketing department purchased office stationeries from Syarikat Maria. On 15 April 2018, the marketing department prepared payment voucher to Syarikat Maria for the cost of RM1,500.

Discuss accounting treatment for payment of purchase at the marketing department as stated under Treasury Instruction.

(12 marks)

(Total 25 marks)

Continued....

- c) Briefly explain **THREE (3)** primary characteristics of fund accounting.

(5 marks)

### QUESTION 3

- a) Discuss the weaknesses of implementing the modified budgeting system.

(6 marks)

- b) Explain how government can implement expansion position under the fiscal policy via government budget.

(5 marks)

- c) Jones and Pendlebury (1992), indicated the need for budgeting by listing some functions of the budget. Those functions were; determine authorities' income and expenditure, assist decision-makers to make good decisions on their plans and policies, authorize authorities to make legal of future spending and provide fundamental method to control income and expenditure.

Briefly explain the features of good budgetary control system.

(4 marks)

- d) Discuss **TWO (2)** methods of evaluation under Outcome Based Budgeting.

(10 marks)

(Total 25 marks)

### QUESTION 4

Accountability is always related to good governance that implies public organizations which conduct public matters, manage public funds and guarantee the realization of human rights in a way fundamentally free from abuse and corruption, as well as obeying the rule of law.  
(Bhuiyan & Amagoh, 2011)

- a) Discuss the principles of effective accountability.

(10 marks)

- b) Explain on how auditor may improve an accountability.

(6 marks)

- c) In a performance audit, the auditor expresses an opinion whether, in all material respects, the administration of a program or entity has been carried out economically and/or efficiently. Based on the above statement explain the criteria of performance audit.

(9 marks)

(Total 25 marks)

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